AB400-1

The Aluminum Situation

ECONOMICS AND STATISTICS — JULY 1990

INDUSTRY SHIPMENTS DOWN 6.3 PERCENT FROM 1989

Industry net shipments for five months of 1990, totaling 6,538 million pounds, decreased 6.3 percent from 1989 shipments of 6,975 million pounds.

Domestic shipments for five months of 1990, totaling 5,417 million pounds, were down 10.8 percent from the previous year total of 6,070 million pounds.

U.S. exports of aluminum ingot and mill products continue to be strong, totaling 1,121 million pounds during the first five months, increased 24 percent from the 1989 total of 904 million pounds.

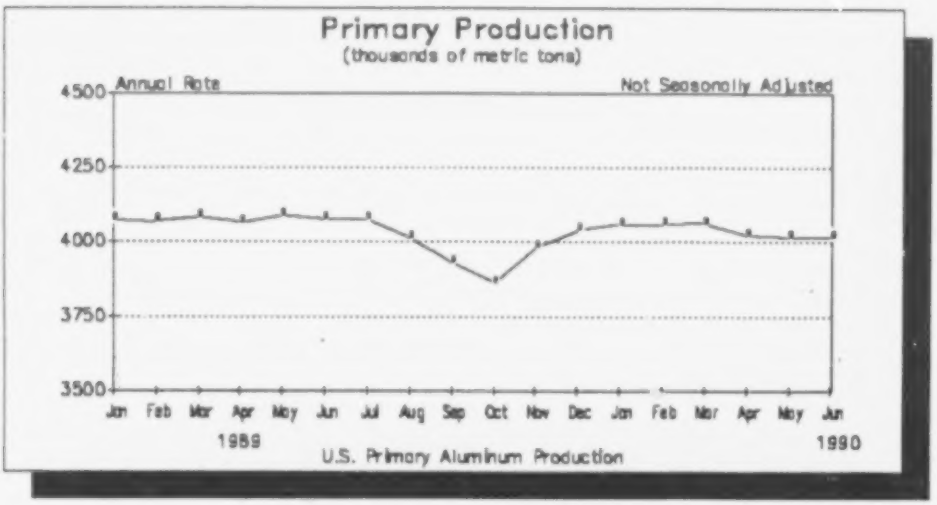
THRU MAY 1990

	1990 5 Mos.	1989 5 Mos.	% Change
Mill Products	5,348	5,538	-3.4
Ingot	1,189	1,437	-17.2
Total	6,538	6,975	-6.3
Less Exports	1,121	904	24.0
Domestic Total	5,417	6,070	-10.8

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 11,006 METRIC TONS

U.S. primary aluminum production averaged an estimated 11,006 metric tons daily during June 1990. This compares with an average of 11,173 metric tons a day in June 1989 and 11,007 metric tons a day in May 1990. The annual rate of production in June 1990 was 4,017,044 metric tons compared with 4,078,230 metric tons in June 1989 and 4,017,402 metric tons in May 1990. Estimated production in June 1990 was 330,168 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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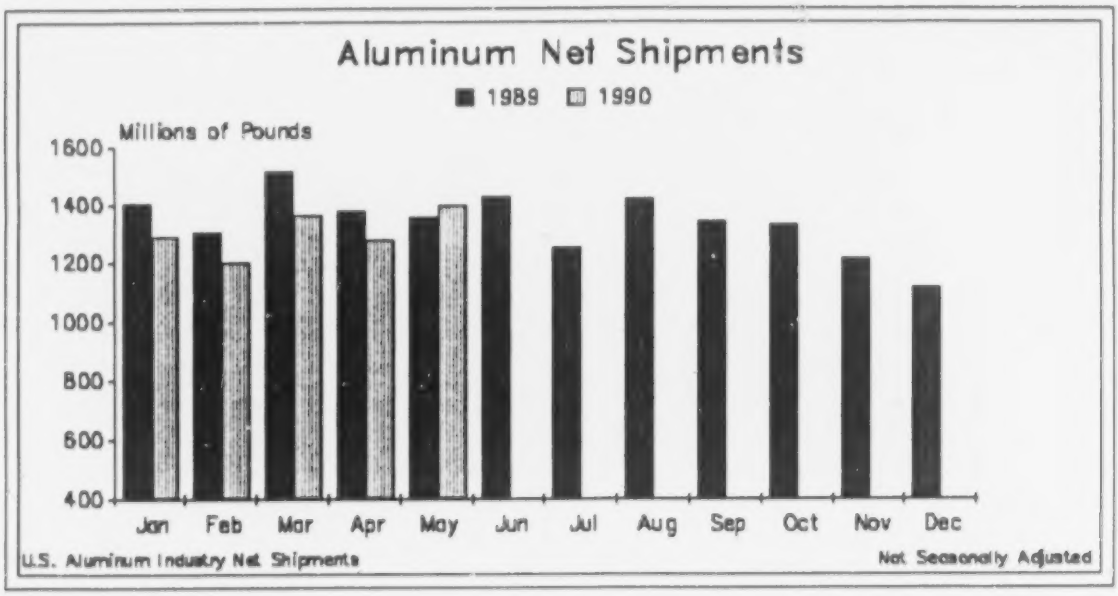
MAY INDUSTRY SHIPMENTS REPORTED AT 1,400 MILLION POUNDS

Industry net shipments for May 1990 were reported at 1,400 million pounds, up 9.4 percent from revised April shipments of 1,279 million pounds. Year-to-date, total industry shipments totaled 6,538 million pounds, a decline of 6.3 percent from a previous year total of 6,975 million pounds. Domestic shipments for five months of 1990, totaling 5,417 million pounds, were down 10.8 percent from the previous year total of 6,070 million pounds. U.S. exports totaled 1,121 million pounds during the first five months, an increase of 24 percent from the same period of 1989.

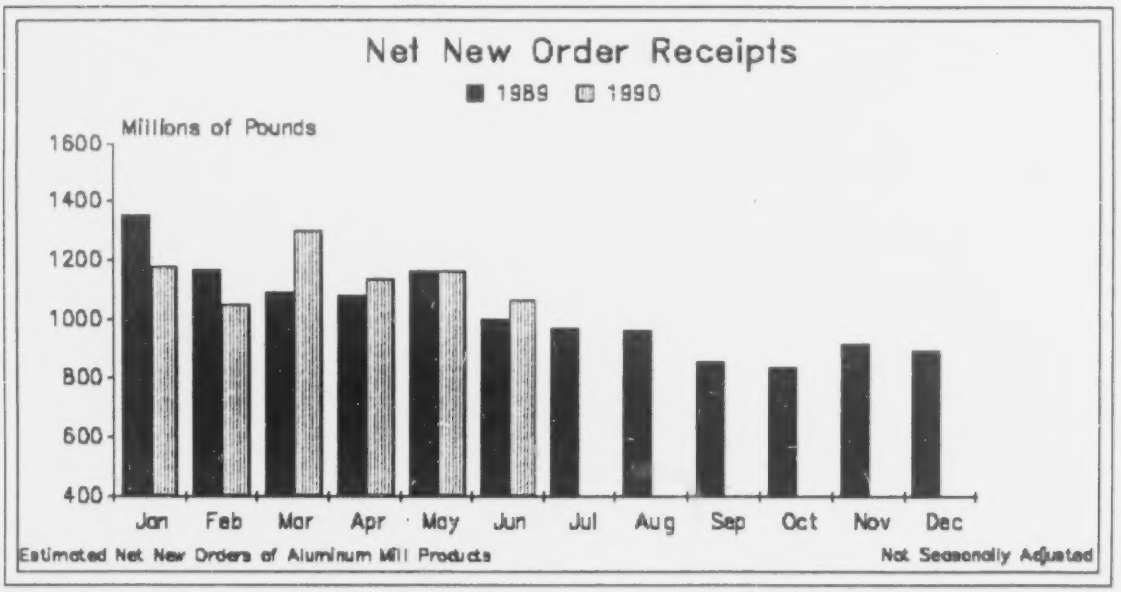


NET SHIPMENTS (Millions of Pounds)	1990 May	1989 May	1990 5 Mos.	1989 5 Mos.	% Change 1990 vs 1989
Sheet	651.5	652.4	3,004.1	3,134.3	-4.2
Plate	21.9	27.9	109.6	132.2	-17.1
Foil	81.8	75.0	391.8	370.7	5.7
Rod,Bar & Wire	25.7	19.3	130.0	101.3	28.2
Elec. Conductor	53.5	64.2	253.0	293.2	-13.7
Extruded Shapes,Tube	230.3	229.9	1,093.4	1,135.8	-3.7
Powder & Paste	8.2	7.5	38.0	39.1	-2.9
Forgings & Impacts	11.7	13.4	63.4	68.3	-7.3
Net Imports of Mill Products (Total) (a)	53.2	54.6	265.2	262.5	1.0
Total Mill Products	1,137.9	1,144.1	5,348.4	5,537.5	-3.4
Ingot	261.7	216.9	1,189.4	1,437.0	-17.2
TOTAL INDUSTRY SHIPMENTS	1,399.6	1,361.0	6,537.8	6,974.5	-6.3
Exports	191.3	221.3	1,121.1	904.2	24.0
TOTAL DOMESTIC SHIPMENTS	1,208.3	1,139.7	5,416.8	6,070.3	-10.8

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

JUNE NEW ORDER RECEIPTS INCREASE 8.5 PERCENT

Estimated net new order receipts of aluminum mill products for the month of June totaling 1,067 million pounds, decreased 8.5 percent from the previous month total of 1,166 million pounds. Year-to-date, net new orders totaling 6,907 million pounds, increased slightly, up 6 tenths of one percent from the six month 1989 total of 6,865 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1990 June	1989 June	1990 6 Mos.	1989 6 Mos.	% Change 1990 vs 1989
Sheet & Plate, Other	359.8	289.6	2,328.6	2,320.2	0.4
Can Stock (a)	337.4	343.7	2,135.7	2,069.1	3.2
Foil	72.9	89.5	539.6	505.5	6.7
Bar, Rod & Wire	37.9	31.9	281.5	215.6	30.6
Electrical Conductor	54.4	41.2	266.0	369.0	-27.9
Extruded Shapes & Tube	184.4	186.9	1,221.0	1,245.6	-2.0
Powder & Paste	8.4	8.6	68.1	60.5	12.6
Forgings & Impacts	11.7	11.7	66.5	79.9	-16.8
Total Mill Products	1,066.9	1,003.1	6,907.0	6,865.4	0.6

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DOWN 47 MILLION POUNDS

Producer inventories decreased in May 1990 to a reported total of 3,906 million pounds. This represents a 47 million pound decrease from the revised April level of 3,953 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
March	3,918	1,380	532	2,006
April	3,953r	1,356r	573r	2,024r
May	3,906	1,393	549	1,965

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 32.6 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of May 31, 1990 was 32.6, down 9 tenths of one percent from inventories reported at the end of April.

Month-End Aluminum Customer Inventories
(Average Number of Days)

March	33.3
April	32.9
May	32.6

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1990 May	1989 May	1990* 5 Mos.	1989 5 Mos.	% Change 1990 vs 1989
Imports	Mill Products	88.7	86.2	446.2	412.0	8.3
	Ingot	199.7	167.0	925.7	949.9	-2.5
	Total	288.4	253.2	1,371.8	1,361.9	0.7
	Scrap (+ dross)	42.1	38.9	268.2	194.6	37.9
	Grand Total	330.5	292.1	1,640.1	1,556.5	5.4
Exports	Mill Products	99.5	145.7	451.7	496.3	-9.0
	Ingot	91.9	75.6	669.4	407.9	64.1
	Total	191.3	221.3	1,121.1	904.2	24.0
	Scrap	77.7	105.7	484.9	547.3	-11.4
	Grand Total	269.0	327.0	1,605.9	1,451.5	10.6
Net Imports		61.5	-34.9	34.1	105.0	-67.5

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989